

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Universal Service Reform)	WT Docket No. 10-208
)	
Mobility Fund)	
)	

To: The Commission

**REPLY COMMENTS OF THE
TELECOMMUNICATIONS INDUSTRY ASSOCIATION**

I. INTRODUCTION

The Telecommunications Industry Association (TIA) hereby submits reply comments to the Federal Communications Commission (Commission) in the above-captioned proceeding.¹ TIA appreciates the opportunity to draw to the Commission's attention to the broad consensus on the record that supports the creation of the Mobility Fund. Through such steps as the Mobility Fund, TIA believes that a meaningful impact on the current mobility gap can be achieved.

**II. THE RECORD DEMONSTRATES EXTENSIVE SUPPORT FOR THE
CREATION OF A MOBILITY FUND**

TIA reiterates its support for the creation of a Mobility Fund to serve as an important step in improving coverage of mobile voice and Internet services to all Americans, and shares the goals

¹ Universal Service Reform: Mobility Fund, WT Docket No. 10-208, Notice of Proposed Rulemaking (rel. Oct. 14, 2010) (Mobility Fund NPRM).

of the Federal-State Joint Board on Universal Service² and Commission³ to use universal service funding to support mobile voice services and broadband Internet access service in presently unserved areas. There is widespread support on the record for the creation of the Mobility Fund.⁴ TIA notes that for the majority of comments, the question of whether the fund should be created or not is assumed to be in the affirmative, with much more discussion focusing on the attributes of the fund.

While supporting that the full \$300 million be allocated to the Mobility Fund,⁵ TIA notes that some commenters have posited that the size of the fund is likely insufficient.⁶ As indicated in the record, the estimated cost of providing service to meet the goals of the National Broadband Plan are in the billions, dwarfing the proposed size of the fund.⁷ This point supports TIA's belief that the Commission should, at the least, provide the full \$300 million to the Mobility Fund. Regardless of whether or not more than \$300 million is needed for the Mobility Fund, without the full \$300 million, the Commission will never know the full impact that the Mobility Fund could have on narrowing the gaps in unserved areas.

² Federal-State Joint Board on Universal Service, WC Docket No. 05-337, CC Docket No. 96-45, Recommended Decision In the Matter of High-Cost Universal Service Support, FCC07J-4 (Fed.-State Jt. Bd., rel. Nov. 20, 2007).

³ Mobility Fund NPRM at ¶ 12.

⁴ *See, e.g.*, AT&T Services, Inc. Comments at 1, CTIA Comments at 1, Gila River Telecommunications, Inc. Comment at 1, Public Utilities Commission of Ohio Comments at 2, Sprint Nextel Corp. Comments at 1, T-Mobile USA, Inc. Comments at 1.

⁵ TIA Comments at 8-9.

⁶ *See, e.g.*, AT&T Comments at 3, California Public Utilities Commission Comments at 7-8, Mobile Future Comments at 5-6, Rural Cellular Association Comments at 9; T-Mobile USA, Inc. Comments at 4.

⁷ T-Mobile USA, Inc. Comments at 5.

TIA again urges the Commission to examine ongoing funding through the Mobility Fund if it is successful. Ongoing funding is broadly supported by comments in the record.⁸ For areas where there is no business case for service providers to operate, the mobility gap may continue to widen as 3G networks are upgraded to 4G.⁹ Sparsely populated areas, such as tribal lands,¹⁰ are particularly likely to need ongoing funding to maintain service once a buildout occurs.¹¹ One commenter further suggested that the Commission should presume “in areas where a business case for broadband deployment does not exist, on-going support will be necessary to maintain networks.”¹²

III. A MAJORITY OF COMMENTERS AGREE THAT THE FUND SHOULD BE DISTRIBUTED IN A COMPETITELY AND TECHNOLOGY NEUTRAL MANNER

A. In order to maximize its potential, the Mobility Fund should not be approached as a “one size fits all” solution.

The Mobility Fund should not be considered a “one size fits all” solution, as providers will be serving diverse geographies with various structural, technical, and topographical features. Winning bidders should be required to complete construction as expeditiously as possible, while taking into account the variations in regions and existing infrastructure that could justify waivers

⁸ Independent Telephone & Telecommunications Alliance Comments at 3-4, National Tribal Telecommunications Association Comments at 16, Rural Cellular Association Comments at 10.

⁹ As TIA noted in its original comment in this proceeding, providers typically use existing 3G networks to upgrade to 4G, which could further contribute to the widening of gaps in accessibility to mobile service. TIA Comments at 5.

¹⁰ “Native peoples reside in the worst-connected communities in America for both broadband and for basic voice dial-tone. Native communities almost uniformly lack wireless service except in higher density areas.” National Tribal Telecommunications Association Comment at 5.

¹¹ TIA Comments at 2-3.

¹² Independent Telephone & Telecommunications Alliance Comments at 3-4.

from rigid standards, thus still allowing the provision of service to a large number of unserved citizens.¹³ As Verizon and Verizon Wireless note, the few people who lack access to 3G (or better) wireless service live in areas that are very expensive to serve. As a result, it may not be realistic to expect coverage to be expanded to 100% of the unserved population.¹⁴ The Commission should also be cognizant of these factors when assessing the expected timeline for deployment. For example, Alaska has a relatively short building season due to the climate and limited engineering and construction resources.¹⁵ Therefore, TIA reiterates its position, supported by numerous other commenters, that the Commission should incorporate some measure of flexibility or a simplified waiver process into the performance requirements for the Mobility Fund.¹⁶

B. The Commission should make any funding available for all types of 3G and 4G technologies.

While 4G technologies are increasingly being deployed,¹⁷ the vast majority of Americans live in an area with access to 3G and the path to ubiquitous broadband availability is dependent on this existing 3G infrastructure. In the NPRM, the Commission asked for comment on whether the Mobility Fund should be limited to 4G technology.¹⁸ While some commenters answered this question affirmatively, TIA believes this discounts the critical role 3G technologies play in bringing mobile broadband to rural America. Currently, 3G technologies offer a cost-effective

¹³ TIA Comments at 11.

¹⁴ Verizon and Verizon Wireless Comments at 3.

¹⁵ Alaska Communications Systems Comments at 7.

¹⁶ TIA Comments at 11-14, ACS Comments at 7, Verizon and Verizon Wireless Comments at 18-19.

¹⁷ Mobile Future Comments at 3.

¹⁸ Mobility Fund NPRM at ¶ 37.

and ubiquitous method of providing access to voice and data, especially in rural areas where landline access is limited or does not exist. In this way, for governmental entities, 3G is an indispensable tool to increase access to services, and to shrink the digital divide. As stated above, carriers in rural areas must account for the economics of constructing networks in areas with challenging terrain and low population densities.

Further, 3G technology will act as a bridge not only to 4G but to the adoption of advanced public-private broadband networks generally, as all 3G technologies have the capability of being upgraded to 4G. Therefore, an increased amount of either type of infrastructure will result in improved broadband services to unserved and underserved Americans. While the Commission should by no means discount the societal and economic benefits that will result from the ever-faster networks and innovative devices offered by 4G, it should account for the core economics of deployment in most rural parts of America, and allow recipients to deploy any technology that meets the funding criteria.

C. The FCC should make funding available to as many recipients as possible, to maintain competitive neutrality and to expedite achievement of our nation's broadband goals.

The FCC should facilitate the deployment and adoption of broadband as quickly as possible to ensure the achievement of national broadband goals through all mechanisms available to the Commission. This will, in turn, accelerate the associated societal, political, and economic benefits. The Mobility Fund should complement other support flows, such as Recovery Act funding, other Rural Utility Service (RUS) grants, and other FCC universal service support

programs in order to achieve this goal. However, it is not necessary to delay the provision of funds until the proposed Connect America Fund (CAF) distributions are complete, as proposed by some parties on the record.¹⁹ Such an action would be counter-productive not only to the Commission's national broadband goals, but also to the Congressional mandate to ensure every American has "access to broadband capability."²⁰

Although some commenters have suggested the recipients of the Mobility Fund should be ineligible to receive support from the proposed CAF, the two programs are not mutually exclusive.²¹ The Mobility Fund is not a substitute for current high-cost support or the proposed Connect America Fund or vice-versa. The Mobility Fund is a limited one-time subsidy for a specific type of service -- mobile voice and broadband -- while the CAF is intended to be a much more comprehensive, ongoing support mechanism designed to evolve with technology. Furthermore, the Commission's analysis has shown that wireless networks will incur a very high proportion of ongoing support, further illustrating the required difference in focus and objectives between the two programs.²² Due to these inherent differences, it is not logical to treat the Funds as if they are substitutable by imposing restrictions on recipients based on their receipt of funding from other universal service programs. On the other hand, TIA certainly believes that a recipient should not receive duplicative subsidies for the same project.

¹⁹ Windstream Communications, Inc. Comments at 2.

²⁰ See Federal Communications Commission, *Connecting America: The National Broadband Plan* at 3 (rel. Mar. 16, 2010), available at <http://download.broadband.gov/plan/national-broadband-plan.pdf> (last visited January 18, 2010). See also American Recovery and Reinvestment Act of 2009, §6001(k)(2), Pub. L. No. 111-5, 123 Stat. 115 (2009).

²¹ Windstream Communications, Inc. Comments at 4.

²² As TIA noted in its comment in this matter, while not identically aligned in terms of cost factors, the Commission's data analysis shows that wireless networks incur an overall higher proportion of ongoing costs (67%) than DSL (46%) and FTTP (52%). See *The Broadband Availability Gap, OBI Technical Paper Series*, Federal Communications Commission, Exhibits 4-AB, 4-AK, and 4-AV (April 2010) available at <http://download.broadband.gov/plan/the-broadband-availability-gap-obi-technical-paper-no-1.pdf>.

IV. CONCLUSION

For the foregoing reasons, TIA urges the Commission to adopt policies consistent with the recommendations above.

Respectfully submitted,

TELECOMMUNICATIONS INDUSTRY ASSOCIATION

By: /s/ Danielle Coffey

Danielle Coffey
Vice President, Government Affairs

Rebecca Schwartz
Director, Regulatory and Government Affairs

Patrick Sullivan
Director, Technical and Government Affairs

Brian Scarpelli
Manager, Government Affairs

TELECOMMUNICATIONS INDUSTRY ASSOCIATION
10 G Street N.E.
Suite 550
Washington, D.C. 20002
(202) 346-3240

January 18, 2010